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GAIN Report #TS1005

# **Tunisia**

## **Grain and Feed**

### **Annual**

### **2001**

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#### **Report Highlights:**

**Due to another year of below average rainfall, Tunisian cereals production in 2001 is predicted to decline further. This should keep imports of both wheat and barley at high levels, similar to MY 2000/2001. Despite the difficulties of competing with European wheat, in an almost purely price-sensitive market, U.S. marketing efforts with Tunisian end-users are paying off.**

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Includes PSD changes: Yes  
Includes Trade Matrix: Yes  
Annual Report  
Rabat [MO1], TS

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## PRODUCTION

With continued dry weather, the approaching 2001 harvest is expected to be lower still than the year before. Dry weather conditions continued in central and southern Tunisia, although normal rainfall occurred until mid-April in northern Tunisia. However, this rainfall was preceded and followed by several very hot days with a Sirocco wind blowing from the Sahara desert. These weather conditions have triggered outbreaks of fungi type diseases that will affect negatively cereal crops production. Production estimates for 2001 assume that favorable climate conditions will prevail until harvest time in the areas where crop conditions are still relatively good.

### Average Yield MT/Ha

	1999	2000	2001
Wheat	1.53	1.45	1.15
Barley	0.88	0.76	0.60

### Tunisian Durum Production

	1999	2000	2001
MY			
Area Harvested	672	650	750
Production	1140	850	900

## TRADE

Wheat and barley imports in 2000/2001 increased because of the below-average production, coupled with Tunisia taking advantage of attractive international prices to build up its wheat stocks. With another low harvest, imports in 2001/2002 are forecast to remain high. A significant portion of wheat imports were sourced from the United States, despite the fact that U.S. wheat export prices continued to be higher than the heavily subsidized EU export prices. The fact that the milling and baking industries succeeded, in a few instances, in getting American wheat purchase, can be attributed to the continuing aggressive market promotion efforts developed by U.S. Wheat Associates. This American wheat was used as an improver wheat in their operations. In a liberalized system, the price/quality rates would likely have dictated more American wheat purchases, but the GOT purchasing agency continues to respond to a GOT mandate to minimize import costs. Thus the Tunisian wheat market continues to be price sensitive, and quality plays a small role in GOT purchasing decisions.

**Farm Gate Prices (Tunisian Dinars/MT)**

	1999	2000	2001
Bread Wheat	250	250	250
Durum Wheat	285	285	285
Barley	170	170	170

Note: One Tunisian Dinar was worth:

USD 0.8460 in 1999

USD 0.7309 in 2000

USD 0.7142 in 2001

**POLICY**

The EU-Tunisian Agreement that went into force in January 2001 provides:

- 1- The import from the EU of an annual preferential quota set at 17,000 MT of durum wheat at the current tariff rate of 17 percent and;
- 2- The import from the EU of an annual quota set at 230,000 MT of bread wheat at a tariff rate that will be reduced from presently 17 percent to zero percent in five equal steps between January 1, 2001 and January 1, 2005.
- 3- The import from the EU of an annual preferential quota set at 12,000 MT of barley at the current tariff rate of 17 percent.

**Effects of the EU-Tunisia Agreement on U.S. Wheat Exports to Tunisia**

With regards to durum wheat, effects should be basically nil as EU countries production of durum wheat is minimal and would barely be sufficient to meet domestic needs. With regards to bread wheat, effects should be moderate to significant, as the phased reduction in tariff rate coupled with the continuing extremely high EU export subsidies will make it more difficult to sell U.S. bread wheat to Tunisia until the time wheat purchasing is liberalized and the price/quality ratio is the determinant of the commodity origin. The effects of the Agreement on U.S. barley exports to Tunisia should be minimal.

## STATISTICAL SECTION

### Wheat

PSD Table						
Country:	Tunisia					
Commodity:	Wheat					
		1999		2000		2001
	Old	New	Old	New	Old	New
Market Year Begin		07/1999		07/2000		07/2001
Area Harvested	880	910	650	910	0	950
Beginning Stocks	800	800	800	733	250	857
Production	1400	1393	750	1320	0	1100
TOTAL Mkt. Yr. Imports	1200	1000	1300	1390	0	1400
Jul-Jun Imports	1200	1000	1300	1390	0	1400
Jul-Jun Import U.S.	0	0	0	250	0	200
TOTAL SUPPLY	3400	3193	2850	3443	250	3357
TOTAL Mkt. Yr. Exports	100	160	100	186	0	200
Jul-Jun Exports	100	0	100	0	0	0
Feed Dom. Consumption	0	0	0	0	0	0
TOTAL Dom. Consumption	2500	2300	2500	2400	0	2400
Ending Stocks	800	733	250	857	0	757
TOTAL DISTRIBUTION	3400	3193	2850	3443	0	3357

Export Trade Matrix			
Country:	Tunisia	Units:	1,000 MT
Commodity:	Wheat		
Time period:	MY Jul99/Jun00		
Exports for	1999		2000
U.S.		U.S.	
Others		Others	
Libya	145	Libya	161
Ivory Coast	7	Niger	4
		Senegal	2
Total for Others	152		167
Others not listed	8		19
Grand Total	160		186

Import Trade Matrix			
Country:	Tunisia	Units:	1,000 MT
Commodity:	Wheat		
Time period:	MY Jul99/Jun00		
Imports for	1999		2000
U.S.		U.S.	250
Others		Others	
France	500	Turkey	437
Turkey	400	France	409
Germany	100	Sweden	75
		Germany	50
		UK	25
Total for Others	1000		996
Others not listed			144
Grand Total	1000		1390

**Barley**

PSD Table						
Country:	Tunisia					
Commodity:	Barley					
		1999		2000		2001
	Old	New	Old	New	Old	New
Market Year Begin		07/1999		07/2000		07/2001
Area Harvested	450	466	150	260	0	250
Beginning Stocks	64	64	100	144	40	134
Production	415	412	100	200	0	150
TOTAL Mkt. Yr. Imports	258	238	400	310	0	400
Oct-Sep Imports	239	250	300	250	0	400
Oct-Sep Import U.S.	18	25	0	18	0	20
TOTAL SUPPLY	737	714	600	654	40	684
TOTAL Mkt. Yr. Exports	0	0	0	0	0	0
Oct-Sep Exports	0	0	0	0	0	0
Feed Dom. Consumption	587	540	510	500	0	500
TOTAL Dom. Consumption	637	570	560	520	0	520
Ending Stocks	100	144	40	134	0	164
TOTAL DISTRIBUTION	737	714	600	654	0	684

Import Trade Matrix			
Country:	Tunisia	Units:	1,000 MT
Commodity:	Barley		
Time period:	MY Jul99/Jun00		
Imports for	1999		2000
U.S.	25	U.S.	18
Others		Others	
UK	163	UK	96
Spain	50	Germany	74
		France	73
		Sweden	27
		Spain	22
Total for Others	213		292
Others not listed			
Grand Total	238		310